

Message Text

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ACTION EUR-12

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INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L LISBON 0069

E.O. 11652: GDS

TAGS: PINT, PO

SUBJECT: PROGRESS ON GOVERNMENT REORGANIZATION

SUMMARY: AZEVEDO GOVERNMENT MADE IMPORTANT PROGRESS IN ITS INTERNAL REORGANIZATION JAN 5. AGREEMENT WAS REACHED ON AGRARIAN REFORM POLICY OF ACCEPTING EXISTING OCCUPATIONS IN ALENTEJO, BUT PROVIDING ASSURANCES THAT FUTURE AGRARIAN REFORM WOULD BE IN STRICT ACCORD WITH LAW AND WOULD NOT AFFECT NORTH. THE PARTIES HAVE NOW OVERCOME THE MAJOR IMPEDIMENTS TO COMPLETING GOVERNMENTAL REORGANIZATION. END SUMMARY.

1. PROGRESS ON GOVERNMENT REORGANIZATION: PRESIDENT, PRIME MINISTER, AND LEADERS OF SOCIALIST PARTY (PS), POPULAR DEMOCRATIC CONFIDENTIAL

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PARTY (PPD), AND COMMUNIST PARTY (PCP) MADE IMPORTANT PROGRESS

JAN 5 IN REORGANIZATION OF AZEVEDO GOVERNMENT. AMONG AGREEMENTS REACHED WERE THE FOLLOWING:

-- APPROVAL BY PS, PPD, AND PCP OF PROGRAMMATIC OUTLINE FOR AGRARIAN REFORM PRESENTED BY MINISTER OF AGRICULTURE LOPES CARDOSO (PS). PPD SECRETARY-GENERAL SA CARNEIRO SAID AGREEMENT COVERED PROTECTION OF SMALL FARMERS AND FAMILY PLOTS, NON-APPLICATION IN PRINCIPLE, OF AGRARIAN REFORM NORTH OF THE TAGUS RIVER, RESPECT FOR THE LAW, AN END TO OCCUPATIONS, AND RESOLUTION OF ABUSES COMMITTED DURING OCCUPATIONS. SA CARNEIRO SAID COUNCIL OF MINISTERS WOULD ISSUE DECREE ON NEW AGRARIAN POLICY.

-- GIVEN ABOVE AGREEMENT ON ORIENTATION OF AGRARIAN REFORM, PS WITHDREW ITS OBJECTIONS TO A PCP SECRETARY OF STATE FOR AGRARIAN REFORM, PROVIDED LOPES CARDOSO NAMES SUBSECRETARY HIMSELF. PCP LEADER ALVARO CUNHAL INDICATED PARTY WOULD NAME REPLACEMENT FOR PRESENT SECRETARY ANTONIO BICA.

-- PRIME MINISTER AZEVEDO ANNOUNCED CREATION OF NEW MINISTRY OF HOUSING.

-- CONTINUATION OF PPD DISSIDENT ARTUR SANTOS SILVA AS SECRETARY OF STATE FOR TREASURY AND CREATION OF NEW SECRETARIAT OF STATE FOR FINANCE TO BE FILLED BY PPD.

-- TOURISM WILL REMAIN DIRECTLY UNDER PS MINISTER FOR EXTERNAL COMMERCE JORGE CAMPINOS, AND NO SECRETARY OF STATE FOR TOURISM WILL BE NAMED. PCP HAD BEEN SLATED TO GET THIS POST. TOURISM INDUSTRY HAD STRONGLY OBJECTED TO A COMMUNIST.

2. NEW CDS SECGEN: DR. BASILIO RUI HORTA WAS SWORN IN JAN 5 AS SECGEN OF SOCIAL DEMOCRATIC CENTER (CDS) PARTY, REPLACING SILVEIRO MARTINS. SECGEN POSITION IS THIRD HIGHEST IN CDS PARTY HIERARCHY, FOLLOWING PRESIDENT DIOGO FREITAS DO AMARAL AND VICE PRESIDENT ADELINO AMARO DA COSTA. HORTA, A THIRTY-TWO YEAR OLD LAWYER, WAS A FOUNDER OF CDS AND IS CURRENTLY A CDS DEPUTY IN CONSTITUENT ASSEMBLY. PRIOR TO APRIL 25, 1974 REVOLUTION HE HAD HELD MINOR ADMINISTRATIVE POSITIONS IN THE OFFICIAL POLITICAL PARTY NATIONAL UNION (UNIAO NACIONAL). HE IS A PROMINENT FIGURE IN THE PORTUGUESE CONFEDERATION OF INDUSTRY.

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3. COMMENT: THE PARTIES HAVE NOW OVERCOME THE MAJOR IMPEDIMENTS TO COMPLETING THE REORGANIZATION OF THE AZEVEDO GOVERNMENT. ALL PARTIES GAVE UP SOMETHING IN REACHING ACCORD. CREATION OF MINISTRY OF HOUSING WILL REMOVE THIS IMPORTANT FIELD FROM CONTROL OF PCP MINISTER, AND DECISION TO LEAVE TOURISM DIRECTLY UNDER PS MINISTER CAMPINOS ENDS PCP ASPIRATIONS TO THAT SECRETARIAT. AGREEMENT ON FUTURE ORIENTATION OF AGRARIAN REFORM APPEARS TO

ACCEPT THOSE OCCUPATIONS WHICH HAVE ALREADY TAKEN PLACE IN THE
ALENTEJO WITH PROVISION TO CORRECT WORST ABUSES, BUT ASSURES
FARMERS IN OTHER REGIONS THAT OCCUPATIONS WILL NOT AFFECT THEM.
PCP ACHIEVED OBJECTIVE OF CONSOLIDATION OF AGRARIAN REFORMS WHICH
HAVE TAKEN PLACE IN ALENTEJO, BUT WAS FORCED TO CONCEDE THAT
FUTURE AGRARIAN REFORM WOULD ONLY TAKE PLACE UNDER STRICT
ADHERENCE TO THE LAW, AND WOULD NOT APPLY TO NORTH.
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